

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,	)	No. 01-00222-01-Cr-W-1
)	
v.	)	COUNT ONE:
	)	18 U.S.C. § 371
ALBERT FRANKLIN REITZ,	)	NMT 5 years and \$250,000
[DOB: 07/25/51]	)	Class D Felony
	)	NMT 3 years supervised release
Defendant.)	
	)	COUNT TWO:
	)	18 U.S.C. § 1341
	)	NMT 5 years and \$250,000
	)	Class D Felony
	)	NMT 3 years supervised release
)	
	)	COUNT THREE:
	)	18 U.S.C. § 1001
	)	NMT 5 years and \$250,000
	)	Class D Felony
	)	NMT 3 years supervised release
)	
	)	COUNT FOUR:
	)	26 U.S.C. § 7206(1)
	)	NMT 3 years and \$250,000 plus
	)	costs of prosecution
	)	Class E Felony
	)	NMT 1 year supervised release
)	
	)	\$100 Special Assessment on
	)	each count.
)	
	)	Restitution may be ordered.

I N F O R M A T I O N

THE UNITED STATES ATTORNEY CHARGES THAT:

COUNT ONE

CONSPIRACY TO VIOLATE
THE FOREIGN CORRUPT PRACTICES ACT
(18 U.S.C. §371)

1. From in or about December 1995 to in or about October 2000, in the Western District of Missouri and elsewhere, the defendant ALBERT FRANKLIN REITZ, together with others known and unknown to the United States Attorney, did conspire, confederate, and agree with each other to commit offenses against the United States, to wit: being “domestic concerns,” officers, directors, employees, and agents of “domestic concerns”, and stockholders acting on behalf of “domestic concerns,” as those terms are defined in the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-2(h)(1), to use the mails and means and instrumentalities of interstate commerce and to do other acts within the territory of the United States corruptly in furtherance of an offer, payment, promise to pay, and the authorization of the payment of money, to

- foreign government officials, foreign political parties, foreign political party officials, and candidates for foreign public office, and
- other persons while knowing that all or a portion of such money would be offered, given and promised, directly and indirectly to such persons and political parties,

for purposes of influencing acts and decisions of such persons and political parties, inducing such persons and political parties to do and omit to do acts in violation of their lawful duty, and inducing such persons and political parties to use their influence with a foreign government and instrumentality thereof to affect and influence acts and decisions of such government and instrumentality, in order to assist Owl Securities and Investments Ltd. (“OSI”) in obtaining and

retaining business for, and directing business to OSI and OSI Proyectos, in violation of the Foreign Corrupt Practices Act, Title 15, United States Code, Section 78dd-2(a).

GENERAL ALLEGATIONS

2. At all times material to this Information, the Foreign Corrupt Practices Act of 1977 (FCPA), as amended, 15 U.S.C. §§78dd-1, *et seq.*, was enacted by Congress for the purpose of, among other things, making it unlawful for United States persons, businesses and residents to use the United States mails, or any means or instrumentality of interstate commerce in furtherance of an offer, promise, authorization, or payment of money or anything of value to a foreign government official for the purpose of obtaining or retaining business for, or directing business to, any person.

3. At all times material to this Information, Owl Securities and Investments, Limited, was a business having its principal place of business in Kansas City, Missouri. OSI is a “domestic concern” as that term is defined in 15 U.S.C. §78dd-2(h)(1)(B). OSI controlled, and operated OSI Proyectos, a business incorporated under the laws of Costa Rica and having its principal place of business in San Jose, Costa Rica. All significant decisions and expenditures incurred by OSI Proyectos were authorized by OSI in Kansas City, Missouri.

4. At all times material to this Information, ALBERT FRANKLIN REITZ was a citizen of the United States and was an officer, employee, and stockholder of OSI. As such, REITZ was a “domestic concern” as that term is defined in 15 U.S.C. § 78dd-2(h)(1)(A) and an officer and employee of a “domestic concern” and a stockholder acting on behalf of a “domestic concern” as that term is defined in 15 U.S.C. § 78dd-2(h)(1)(B).

PURPOSE OF THE CONSPIRACY

5. The purpose of the conspiracy was to secretly pay money to public officials and political parties in Costa Rica to obtain from the Government of the Republic of Costa Rica a land concession to build and operate a mixed-use facility, known as the “Costa Rican Project.” The Costa Rican Project encompassed the construction, development, and operation of new port facilities on the Carribean coast of Costa Rica, as well as an international airport, a beach-front resort, a marina, residential estates, a quarry, a salvage operation, and a dry canal linking the new port to a port on the Pacific coast of Costa Rica.

MANNER AND MEANS OF THE CONSPIRACY

6. It was part of the conspiracy that REITZ and others would solicit investors in the United States for the “Costa Rican Project,” and would represent to certain potential investors that a portion of the invested funds would be used to cultivate friends in the Costa Rican government and political parties to ensure that a land concession would be awarded to OSI Proyectos.

7. It was further a part of the conspiracy that REITZ and others would solicit from investors in the United States funds that were used in part to make payments to foreign officials and political parties to obtain a land concession for OSI Proyectos.

8. It was further a part of the conspiracy that REITZ and others, acting on their own behalf and as agents of OSI, knew of and agreed to payments to officials of the Republic of Costa Rica, political parties, party officials, and candidates for public office to induce them to use their influence to assist in obtaining a land concession for OSI Proyectos.

9. It was further a part of the conspiracy that, through OSI and OSI Proyectos, payments were made to Costa Rican officials and candidates for political office in exchange for their support and influence in support of the Costa Rican Project and to obtain favorable changes to Costa Rican law and regulations.

10. It was further a part of the conspiracy that REITZ and others would agree to make a final payment of \$1,500,000, divided between the ruling and opposition parties, contingent upon the land concession being granted to OSI Proyectos.

11. It was further part of the conspiracy that REITZ and others would represent to potential investors that they were insulated from any liability for the payments to the Costa Rican officials, political parties, party officials, and candidates for public office because they were buying an interest in OSI Proyectos, which they claimed was “squeaky clean,” while all of the “dirty work” was conducted by a different offshore company.

12. It was further a part of the conspiracy that REITZ and other individuals associated with OSI agreed to transfer funds or otherwise deliver cash and cashiers checks, or agreed to cause such cash and cashiers checks to be delivered, to agents in Costa Rica, knowing that these funds would be used to make payments, directly or through attorneys retained by OSI Proyectos, to Costa Rican officials, political parties, party officials, and candidates for public office in the guise of campaign contributions and consulting fees in exchange for the influence of these officials, political parties, party officials, and candidates in support of the Costa Rican Project.

13. It was further a part of the conspiracy that REITZ and others would refer to the payments to the Costa Rican officials, political parties, party officials, and candidates for public office by using codewords such as “consulting fees,” “tolls,” “kiss money,” and “closing costs.”

OVERT ACTS

14. In order to further the objects and purposes of this conspiracy, the defendant REITZ and his co-conspirators, known and unknown to the United States Attorney, did commit and cause to be committed the following and other overt acts within the Western District of Missouri and elsewhere:

a. In or about 1997, in Kansas City, Missouri, a co-conspirator directed the Costa Rican agent to make payments in Costa Rica to two candidates for the Costa Rican Congress to obtain their support for and influence on behalf of obtaining the land concession for the Costa Rican Project. Subsequently, these congressmen were appointed to chair a commission to establish a National Port Authority.

b. In or about January 1998, in Costa Rica, a high ranking official of the government of Costa Rica, pursuant to a request of the conspirators, issued a letter of intent to OSI outlining the terms of a land concession for the Costa Rican Project.

c. On or about May 3, 2000, a co-conspirator received a facsimile sent by the Costa Rican agent of OSI from Costa Rica. In this facsimile, the Costa Rican agent discussed OSI's need to regain credibility with the Costa Rican authorities and specifically cited the need to make payments to Costa Rican officials, political parties, and candidates:

Toll Allocation

Even if money is important, it is not the main issue. This is looked at as a compromise, a gentlemen's agreement, and everyone involved is sure that once all parties back the project, the compromise will be fulfilled accordingly.

Next year is a political year. Next elections will take place in Feb. 2002. Campaigns are money-consuming processes and politicians will be looking for contributions that will, somehow be repaid as favors. An advance of the toll will have to take place early next year. And we will also have to consider contributions to the current opposition Party, who accordingly with recent polls will very probably be the next term ruling political force.

The concession becomes not only a political support issue, but also a timely matter. If we are able to perform before the current political term is over, we will get the concession utilizing our current friends. Otherwise we will have to start the convincing process again with the new comers.

Toll will then have to allocated accordingly in direction and time for it to be effective.

d. On or about May 8, 2000, REITZ caused a message to be sent the Costa Rican agent in Costa Rica, to be forwarded to an influential Costa Rican politician, asking, among other things, the following questions:

1. Can the proposed toll be escrowed subject to the completion of the final "Concession Agreement"? If so, what banking arrangements be [sic] required and where would the escrowed funds be held?
2. What is the toll amount needed and who would be the recipients of it?

e. On or about May 18, 2000, a co-conspirator received an electronic mail message, sent from Costa Rica by the Costa Rican agent, containing the names of Costa Rican

officials and others who had been paid by OSI Proyectos. This information was provided to the co-conspirators to help persuade investors to fund additional payments to obtain the land concession for the Costa Rican Project.

f. On or about May 25, 2000, a co-conspirator drafted for distribution to potential investors a "Proposal for a [sic] investment in Owl Securities & Investments" that stated that a requirement for obtaining the concession prior to the required studies being completed was "[t]he posting of the required closing costs estimated at \$1,000,000." The proposal stated that "[t]his amount would be escrowed and not released until the concession agreement was granted."

g. On or about May 29, 2000, REITZ sent by facsimile transmission a copy of the "Proposal for a [sic] investment in Owl Securities & Investments" to potential investors in Michigan.

h. On or about May 30, 2000, REITZ requested that a co-conspirator re-type the list of officials who had received payoffs so that he could send it to potential investors in Michigan.

i. On or about June 14, 2000, REITZ told a cooperating witness that he had located a potential investor to fund the \$1,000,000 payment to Costa Rican officials.

j. On or about August 4, 2000, in San Jose, Costa Rica, the Costa Rican agent of OSI, during a telephone call with a cooperating subject in Kansas City, Missouri, proposed creating a new company and opening a new bank account either in Panama or in the United States through which the payments to the Costa Rican officials could be made without them being traced back to OSI or OSI Proyectos.

k. On or about August 11, 2000, during a telephone call with a cooperating subject, REITZ agreed that OSI would set up a new company and a bank account in Panama through which the payments to the Costa Rican officials would be made.

l. On or about August 16, 2000, in San Jose, Costa Rica, in response to a request for the names of the politicians who had received payments in the past from OSI and OSI Proyectos, the Costa Rican agent sent an email to a co-conspirator containing the names of “politicians and friend of ours who would back the project with their support.”

m. On or about August 17, 2000, in Kansas City, Missouri, REITZ met with other conspirators to discuss the Costa Rican Project and to confirm that each agreed to pay a “closing cost” or “toll” to the Costa Rican politicians. During this meeting, REITZ and other coconspirators placed a telephone call to OSI’s Costa Rican agent in San Jose, Costa Rica, during which they discussed the Costa Rican Project.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

1. The United States incorporates by reference the allegations contained in paragraphs two through fourteen of Count One.

2. During the times material herein:

a. Defendant ALBERT FRANKLIN REITZ was the vice president and secretary, and an employee and stockholder, of Owl Securities and Investments, Ltd. (OSI). His responsibilities included the solicitation of investors. He performed his duties in substantial part from the OSI offices in Missouri.

b. Owl Securities and Investments, Ltd. (OSI), which had its principal place of business in Kansas City, Missouri, sought investors to invest in the development of a deep-water port and resort area on the Caribbean coast of Costa Rica, which it referred to as the Costa Rican Project. OSI planned to obtain from the Government of the Republic of Costa Rica a land concession to build and operate the port and resort area, which was to include a new commercial port, a new international airport, residences, a luxury resort, a quarry, and a “dry canal” or freight railway that would connect ports on the Atlantic and Pacific coasts.

c. The State of Missouri, Office of Secretary of State, in 1994 had a matter pending entitled In the Matter of Owl Securities & Investments, Ltd., Stephen David Kingsley, President, Albert Franklin Reitz, Vice President/Secretary, and Gerald Brian Wojcicki, Treasurer, File No. CD-94-34. In that matter, the State of Missouri, Office of Secretary of State, issued an order to cease and desist to OSI on September 7, 1994, requiring OSI to cease and desist from the offer and sale of unregistered securities in the State of Missouri.

3. Beginning in or about September 1994 and continuing until in or about February 2000, in the Western District of Missouri and elsewhere, defendant ALBERT FRANKLIN REITZ knowingly and willfully devised and intended to devise a scheme to defraud and to obtain money and property from others by means of false and fraudulent representations and omissions of material fact, well knowing at the time that the representations and omissions were false and fraudulent when made.

4. It was part of the scheme that beginning in or about September 1994 and continuing through in or about February 2000, defendant, in Missouri and elsewhere, by means of false and

fraudulent representations and omissions, and the omission of material facts, solicited potential investors in person, by telephone, and through the mail.

5. It was further part of the scheme that defendant knew or was willfully blind to the knowledge that large amounts of investor funds were being misapplied for inappropriate personal expenditures, such as large amounts of funds were being spent by Stephen David Kingsley for the support of strippers and at strip clubs; defendant did not object to the misapplication of funds and did not try to control Kingsley's misuse of the funds.

6. It was further part of the scheme that defendant was aware of and participated in the solicitation of funds which were used in part for bribe payments to Costa Rican officials in order to obtain their support for and influence on behalf of obtaining the land concession for the Costa Rican project; defendant was also aware and participated in the planning of additional bribe payments to Costa Rican officials.

7. It was further part of the scheme that defendant, though knowing that the cease and desist order prohibited the offer and sale of OSI securities in the State of Missouri, of the misapplication of investor funds, and of the bribe payments and anticipated additional bribe payments, continued to solicit investors in OSI and did not disclose same to potential investors.

8. It was further part of the scheme that, from on and about September 7, 1994 through in or about February 2000, in reliance on the false and fraudulent representations and omissions of material fact, investors invested a total of approximately \$3,532,852 in OSI.

9. On or about March 11, 1998, at Kansas City, in the Western District of Missouri, and elsewhere, defendant ALBERT FRANKLIN REITZ, in furtherance of and for the purpose of

executing the aforesaid scheme, knowingly and willfully caused to be delivered by the United States Postal Service according to the directions thereon mail matter, that is, a letter from Jay Morren, 4180 Forty-fourth Street, S.E., Grand Rapids, Michigan 49512, enclosing a check for \$50,000 to complete the purchase of 125,000 shares of stock, which letter was addressed to defendant at Owl Securities & Investments, Ltd., 8 NW Richards Road, Kansas City, Missouri 64116-4253.

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNT THREE

On or about November 30, 1999, at Kansas City, in the Western District of Missouri, defendant ALBERT FRANKLIN REITZ, in a matter within the jurisdiction of the Federal Bureau of Investigation (FBI), did knowingly and willfully make and cause to be made a false, fictitious, and fraudulent statement of material fact in that, in connection with an ongoing investigation, he advised that a cassette tape which he caused his attorney to deliver to FBI Special Agent Robert K. Herndon had no material conversations on it, that he had not recorded any material conversations with Stephen David Kingsley, and that his boys were playing with the tape and spilled something on it, when in truth and in fact defendant knew the statement was false in that, at the request of the FBI, he had recorded a conversation between himself and Stephen David Kingsley, a target of the investigation, then had disclosed to Kingsley his meeting with the FBI and his recording of the conversation with Kingsley; Kingsley ordered defendant to retrieve the tape recorder, which defendant did; defendant erased the consensual recording, checked to insure the conversation was erased, and took the erased cassette to Kingsley; in

defendant's presence Kingsley then put the cassette recorder and cassette tape in the microwave oven and turned on the oven; after taking the recorder and tape out of the microwave Kingsley put the recorder and cassette tape in the sink in water; Kingsley returned the recorder and cassette tape to defendant, stating that should take care of it; and defendant thereafter caused his attorney to give the recorder and tape to FBI Special Agent Robert K. Herndon, making the false representations above stated.

All in violation of Title 18, United States Code, Sections 1001 and 2.

COUNT FOUR

On or about April 15, 1998, at Kansas City, in the Western District of Missouri, defendant ALBERT FRANKLIN REITZ willfully made and subscribed a Federal Individual Income Tax Return, Form 1040, for the year 1997, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service at Kansas City, Missouri, which Federal Individual Income Tax Return defendant did not believe to be true and correct as to every material matter in that the defendant stated on such return that his total income was \$56,833, whereas, as he then and there well knew and believed, his total income was substantially in excess of the amount stated on such return, that is, it was \$80,129 in excess of the amount stated.

All in violation of Title 26, United States Code, Section 7206(1).

Marietta Parker
United States Attorney

/s/
Peter B. Clark
Deputy Chief, Fraud Section
Criminal Division

By

/s/
Linda Parker Marshall #24954
Assistant United States Attorney

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/s/
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